

## Board Strategic Planning Meeting Summary | Thursday, February 12, 2015



The Board of Public Utilities convened to begin the 2015 Strategic Planning process on behalf of the community to provide input and feedback on the direction of the Utility. They were provided reading materials containing industry reports in order to have context for the discussion. In addition, General Manager Girish Balachandran gave a presentation summarizing industry reports and gave insights on how these publications from industry experts can inform our future direction and business model.

### Utility of the Future Presentation:

General Manager Girish Balachandran gave a presentation on the Utility of the Future and how industry trends can affect Riverside Public Utilities (RPU) and its value. This presentation gave the board yet another layer of information more specific to our current situation and was intended to spark discussion about what approach we should take to align ourselves with our changing industry and the key challenges of creating a Utility poised to succeed in a fluid and unpredictable future marketplace.

Industry impacts are:

Infrastructure: Aging and changing needs (two-way power flow, dispersed distributed generation, recycled water)

Technology: Utilizing new technology to monitor all aspects of both water and electricity commodities to enable higher efficiency

Workforce: Aging workforce, and new skill sets needed

Regulation: New Players/Competition, ever changing mandates

RPU's business models must change and roadmaps must be developed to thrive financially in order to support infrastructure, workforce, and advanced technology needed to provide community value and customer satisfaction. Two business models were presented that provided a basis for discussion on which path to take:

Smart Integrator: New role in electric commodity business, efficient integrator of dispersed distributed generation, optimizer of customer consumption patterns, integrated technologies for system information, charges for services based on value

Energy Services Utility: Maintains vertical provision of services, provides additional services offered alongside electric service, charges for services based on value.

A smart distribution platform and new energy services are the foundations of the utility industry's future. General Manager Balachandran underscored the need to remember that whichever path is decided our ultimate goal is to provide customer satisfaction and community value with the understanding that a platform must be created that is designed to enable the customer while serving highest quality service at the most affordable rates. Our network has intrinsic value which allows us to enable our customer's needs and the ability to leverage our core business model.



### Strategic Planning Exercises:

The planning exercises focused on if the tasks that have been created to support our 3-year goals fit with our long range plans. General Manager Girish Balachandran interpreted a chart that was created that showed staff progress in each area. The board was asked to give their individual written input on these goals to assure that we are aligned with the community.

### Three-Year Goals Board Input Highlights:

- **Contribute to the City of Riverside's economic development while preserving RPU's financial strength.**
  - Consider Economic Development impacts in relation to new business model.
  - Economic Development should not be subsidy but an added value.
  - Better utilize vacant property to maximize value to the Utility.
- **Maximize the use of technology to improve utility operations**
  - Explore business prospects of utilizing dark fiber.
  - Make sure new technologies are framed in messages of value to the community.
- **Impact positively legislation and regulations at all levels of government**
  - Balance AB 350 with our own renewable strategies – be fast follower not early adopter of 50% at 2030 until we know more about our direction.
  - Influence and communicate challenges of meeting legislative regulation.
  - Consider behavioral programs related to efficiency practices in the community. Neighbors influencing each other on how to conserve based on billing data.
  - Recycled Water Plan --- watching legislative impacts before implementing.
- **Develop and implement electric and water resource plans**
  - Expand Integrated Resource Planning to consider load/resource integration versus mandates. Be direct and forthright about rate impacts.
  - Have grand goals as strategic tools – think big to make sure every possibility is considered.
  - Increase measuring and monitoring sophistication.
  - Measure how solar will affect our system and the load shape.
  - Personalized load data analysis will be needed for the future to assess our load shape.
- **Create and implement a workforce development plan**
  - Collaborate with schools (RCC, RUSD) for work force training opportunities
  - Make sure training and career ladders are addressed
  - Training/Learning Management system needed (Fire Department has a system called Target Safety)
  - Ensure salary scales are competitive and ethical management practices are in place.

### Other Items:

- Discussion needed about board governance, policy succession planning and training.
- Consider adoption of rules about decorum.



### Next Steps:

February 27, 2015 – Next Strategic Planning Meeting

- Discuss Mission Statement Revisions.
- Adopt Goals.
- Continue discussion of other items not finished at this meeting.

### Board requests for future presentations:

Legislative Update

